

East Suffolk Shadow Authority

Agenda
Item
11

SHADOW COUNCIL

Monday 3 December 2018

EAST SUFFOLK DISCRETIONARY COUNCIL TAX DISCOUNTS (REP 9(SH))

EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval for an agreed set of East Suffolk discretionary council tax discounts that can be applied from 1st April 2019. The discretionary council tax discounts presented in this report are based on the council tax discounts that operated under Suffolk Coastal and Waveney District Councils following full alignment during 2018/19.
2. The report proposes to adopt the predecessor Councils discretionary council tax discount scheme without amendment.

Is the report Open or Exempt?	Open
-------------------------------	------

Wards Affected:	All Wards across East Suffolk
------------------------	-------------------------------

Cabinet Member:	Councillors Stuart Lawson and Bruce Provan Cabinet Members with Responsibility for Resources Councillor Richard Kerry Cabinet Member with Responsibility for Housing
------------------------	---

Supporting Officer:	Simon Taylor Interim Chief Finance Officer 01394 444570 simon.taylor@eastsoffolk.gov.uk
----------------------------	--

1 INTRODUCTION

- 1.1 There are a number of different council tax discounts which individuals can apply for. Some of these discounts are set nationally and these can be found at Appendix A to this report and have been provided for Members information.
- 1.2 Those Council Tax Discounts which individual Councils have discretion over are as follows:
- Empty and Unfurnished Discount where the property has been empty less than six months;
 - Empty and Uninhabitable Discount;
 - Long Term Empty Homes (a property that is empty more than six months but less than two years);
 - Long Term Empty Premium (a property that has been empty for more than two years);
 - Second Homes (properties that are substantially furnished but unoccupied); and
 - Council Tax Reduction
- 1.3 As at 1st April 2018, both predecessor Councils had identical Council Tax Discounts which are as follows:
- **Empty and Unfurnished Discount:** empty and unfurnished properties will receive 100% discount for two weeks after which, full payment is due.
 - **Empty and Uninhabitable Discount:** empty and uninhabitable properties will receive 25% discount for 12 months after which, full payment is due.
 - **Long Term Empty Homes (a property that is empty more than six months but less than two years):** these properties will be charged at 100%.
 - **Long Term Empty Premium (a property that has been empty for more than two years):** an added 50% will be charged after the property has been empty for two years or more.
 - **Second Homes (properties that are substantially furnished but unoccupied):** second homes are not subject to a discount and will be charge at 100%.
- 1.4 The Local **Council Tax Reduction** Schemes for both Councils were also aligned at both predecessor Councils January 2018 meetings. A separate report will be presented to the Shadow Authority for approval of the East Suffolk Local Council Tax Reduction Scheme for 2019/20, which must be approved by 11th March 2019.

2 PROPOSED EAST SUFFOLK COUNCIL TAX DISCOUNTS

- 2.1 As the two predecessor Councils had already aligned their council tax discounts (as set out in section 1.3), it is proposed that these council tax discounts are adopted by East Suffolk Council without change and operated from 1st April 2019.
- 2.2 As mentioned at section 1.4, the East Suffolk Local Council Tax Reduction Scheme will be presented to the Shadow Authority for approval before the statutory deadline of 11th March 2019.

3 HOW DOES THIS RELATE TO EAST SUFFOLK BUSINESS PLAN?

- 3.1 It is a statutory requirement for each Council to set and review on an annual basis their discretionary council tax discount scheme and therefore does not link directly to the East Suffolk Business Plan.

4 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 4.1 The proposal to adopt the predecessor Councils discretionary council tax discount scheme does not present any financial or governance implications.

5 OTHER KEY ISSUES

- 5.1 Legislation is currently going through Parliament that will give Council's the power to charge a Long Term Empty Premium of 100% (where a property has been empty for more than two years). It is unknown at this point in time if and when this legislation will be approved but it is due to come into effect from 1st April 2019.
- 5.2 Once the legislation has been approved by Parliament, it is proposed that the East Suffolk Council adopts this increase from 50% premium to 100% premium and a separate report will be presented to the Shadow Authority.
- 5.3 If the policy is not approved by Parliament and adopted by East Suffolk Council before the end of the financial year, the policy will not be eligible for the 2019/20 financial year.

6 CONSULTATION

- 6.1 The following member working groups have been consulted regarding the proposals in this report and were in agreement with its recommendation to the Shadow Authority for approval:
- Finance Member Working Group;
 - Policy and Service Alignment Member Working Group; and
 - Member Programme Board

7 OTHER OPTIONS CONSIDERED

- 7.1 No other options were considered as the council tax discounts for both predecessor Councils were already aligned in full.

8 REASON FOR RECOMMENDATION

8.1 All Councils have a statutory responsibility to set and review on an annual basis their discretionary council tax discount scheme.

RECOMMENDATIONS

That the Shadow Authority adopts the following discretionary council tax discounts on behalf of the East Suffolk Council:

- a. **Empty and Unfurnished Discount:** empty and unfurnished properties will receive 100% discount for two weeks after which, full payment is due.
- b. **Empty and Uninhabitable Discount:** empty and uninhabitable properties will receive 25% discount for 12 months after which, full payment is due.
- c. **Long Term Empty Homes (a property that is empty more than six months but less than two years):** these properties will be charged at 100%.
- d. **Long Term Empty Premium (a property that has been empty for more than two years):** an added 50% will be charged after the property has been empty for two years or more.
- e. **Second Homes (properties that are substantially furnished but unoccupied):** second homes are not subject to a discount and will be charge at 100%.

APPENDICES

Appendix A

Nationally Set Council Tax Discounts

BACKGROUND PAPERS - none

NATIONALLY SET COUNCIL TAX DISCOUNTS

SINGLE PERSON DISCOUNT

If you're the only adult (aged 18 or over) living in your home, you can claim a single person Council Tax discount of 25%. This discount is awarded on your main home and not on second homes.

You will not be entitled to a discount if someone has left your home for a short period of time, or intends to return in the future.

You may be entitled to a discount if adults living in the property are exempt from liability for paying Council Tax.

- If all but one of the adults living at the property is disregarded, there is a 25% discount.
- If there are two or more adults who are not disregarded, there is no discount.

STUDENTS/STUDENT NURSES/APPRENTICES DISCOUNT

Students and student nurses

If a property is occupied by full-time students only, the occupants are exempt from Council Tax and there will be no bill to pay. If all the occupants, except one, are full-time students the Council Tax bill will be reduced by 25%. If there are two or more non-students in a property, no student discount will be allowed.

A full-time course is one that lasts for at least one academic year with a prescribed educational establishment or, in the case of educational establishments which do not have academic years, for at least one calendar year. Students must also be undertaking periods of study, tuition or work experience which together amount to an average of at least 21 hours a week.

If a student finishes studying one course and then starts a different course, no discount will be applicable for the period between the end of the first course and start date of the second.

Apprentices do not fall into the same category as students and, as such, are not exempt from paying Council Tax.

However, an apprentice living alone may be entitled to a 50% reduction to their Council Tax.

If there is another adult living in the property, the apprentice may be entitled to a 25% reduction in Council Tax.

No discount is available where there are two or more adults that are not disregarded in some way (see other disregards).

To qualify as an apprentice, you must be:

- Learning a recognised trade or profession.
- Undertaking an NVQ or similar vocational qualification applicable to the role.
- Earning no more than £195 per week (net earnings).

SECOND ADULT REBATE

You may be eligible for a Second Adult Rebate if you must have a non-dependent adult living with you.

A non-dependent adult must:

- be over 18;

- not be your partner;
- not have joint responsibility for paying Council Tax;
- not pay you rent;
- not be a joint owner or joint tenant with you;
- not be a licensee of the property;
- have a low income or be on benefits;
- not be classified as a disregarded person for Council Tax purposes.

Second Adult Rebate is available for both working-age and pension-age claims.

If you are eligible for a Second Adult Rebate You could get a discount of up to 25% off your Council Tax. The exact amount will depend on the gross income (income before tax or other contributions are considered) of the second adult living with you.

With Second Adult Rebate only the income of the second adult is considered. So, even if you don't qualify for Council Tax Reduction because you have an income of more than £16,000, you may still be eligible for Second Adult Rebate.

DISABLED PERSON(S), SEVERE MENTAL IMPAIRMENT OR CARERS DISCOUNT

Disabled Band Reduction Scheme

The property must be the main home of at least one disabled person. This could be a child or an adult - it does not have to be the person responsible for paying Council Tax.

There are three Disabled Reduction Criteria of which at least one must be met to be entitled to disabled reduction and they are as follows:

- A secondary kitchen or bathroom used predominantly by the disabled person.
- A room (other than a kitchen or bathroom) that is required for use predominantly by the disabled person - in which they receive care or treatment for their disability.
- Sufficient floor space to allow the use of a wheelchair inside the property.

If you qualify the amount of Council Tax you need to pay will be reduced to that of the band below your current valuation. For example if you live in a band D property and it has the above features then you will pay Council Tax as if it were in band C. You will still qualify for a reduction in your Council Tax if your property is in band A - the lowest band.

Severe Mental Impairment Discount

In order to qualify for this discount, the person concerned must have a certificate of confirmation from a registered medical practitioner and the person must be entitled to (though not necessarily in receipt of) a qualifying benefit:

- Attendance Allowance (under Section 64 of the Social Security Contributions and Benefits Act 1992);
- Employment and Support Allowance (formerly Severe Disablement Allowance);
- The highest or middle rate of the care component of a Disability Living Allowance;
- The daily living component of Personal Independence Payment;
- An increase in the rate of your disablement pension (where constant attendance is needed);
- The disabled element of tax credits;
- Incapacity Benefit;
- Unemployability Allowance or Supplement;
- Constant Attendance Allowance or Income Support including a disability premium.

Carers Discount

You may also qualify for a discount on your Council Tax, if you are the carer for a person who is in receipt of a qualifying benefit:

- The highest or middle rate of the Care Component of Disability Living Allowance;
- The lower or higher rate of Attendance Allowance;
- The Standard or enhanced rate of Daily Living Component of the Personal Independence Payment;
- Armed Forces independence payment;
- An increase in Disablement Pension;
- An increase in Constant Attendance Allowance.

The person providing care must be resident within the same dwelling as the person being cared for and must be providing care for at least 35 hours per week.

However, you cannot claim this discount if you are a 'disqualified relative', such as a spouse/civil partner (married or unmarried), or the parent of a child (under 18 years of age).

BRITISH AND VISITING FORCES

A property is exempt (which means you don't have to pay Council Tax for the property) if at least one person who would normally be responsible for paying the Council Tax is a member of a visiting force.

If a member of a visiting force lives with you but would not be responsible for paying Council Tax, you can apply for a 25% discount.

A person is classed as a member of a visiting force if they are:

- a member of that force, or a member of a civilian component of the force; or
- a dependant of a member, provided that the dependant is not a British citizen or normally resident in the UK.

Properties occupied as armed forces accommodation are also entitled to an exemption from Council Tax.

OTHER EXEMPTIONS

Some properties are exempt from Council Tax.

Occupied properties are exempt if:

- They are student halls of residence;
- They are occupied by students only;
- All residents are under the age of 18;
- To the residents have diplomatic privilege or immunity;
- The property is an annex occupied by a dependant relative.

Unoccupied properties are exempt if:

- They are owned by a charity;
- The liable persons are detained or are resident in a care home;
- The liable person is deceased;
- The occupation of the property is prohibited by law;
- The property is held for a minister of religion;

- The liable people are away giving or receiving care;
- The property has been left empty by a student;
- A repossession order has been granted on the property;
- The liable person is bankrupt;
- It is a pitch or mooring that is left empty;
- It is an annex that cannot be let or sold separately to the main property.

OTHER DISREGARDS

You may be exempt from paying Council Tax, if you are:

- A child benefit recipient or school/college leaver (only applies to those aged between 18 and 20 years);
- A hospital patient whose sole or main residence in an NHS hospital where you are receiving care or treatment;
- Members of international defence organisations;
- Members of religious communities—the principle occupation must be prayer, contemplation, education or relief of suffering, the individual must have no income or capital of their own;
- Non British spouses of students, who are prevented by Immigration Regulations from taking paid employment or claiming state benefits;
- A resident of a hostel or night shelter;
- A youth training trainee - someone age 25 or under, on a training programme funded by the Learning Skills Council.